



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

14 March 1983

Australia: Initial Reflections on Hawke's New Cabinet

25X1

The Australian Labor Party (ALP) caucus last week approved Prime Minister Hawke's choices for the 27-seat cabinet. In making his appointments Hawke gained caucus approval for a division of "inner" and "outer" cabinets, placed highest priority on economic affairs, appointed like-minded allies in key positions, and resisted efforts to include more than a minimum of left-wing members. In our judgment, Hawke has used the cabinet selection process to affirm both his leadership of the Labor Party and his commitment to the moderate politics he espoused during the campaign.

25X1

In an unusual departure from traditional Labor party policy (and parliamentary practice in other countries), the ALP caucus approved Hawke's request to divide the cabinet into two bodies. The 13-member inner cabinet, headed by Hawke, will direct government policy. (See chart) Among its members are Paul Keating, Ralph Willis, John Button and Lionel Bowen, who together will form the core of Labor's economic strategists. In addition, we believe these men will provide Hawke with the political support to face potential dissent from within the party, Australia's fractious trade unions, and criticism from the new opposition leader Andrew Peacock.

25X1

Keating supported Hawke during the July 1982 leadership challenge, which Hawke lost to Bill Hayden. Willis is a long-time friend of Hawke's. Button, who heads a small independent faction in the Party, is rumored to have been instrumental in

This memorandum was prepared by [redacted] Malaysia, Singapore Islands Branch, Southeast Asia Division, Office of East Asian Analysis. It was coordinated with the National Intelligence Council. Information available as of 14 March was used in its preparation. Comments are welcome and may be directed to the Chief, Southeast Asia Division

25X1

25X1

EA M 83-10050

25X1

25X1

former party leader Hayden's resignation. Similarly, Lionel Bowen paved the way for Hawke to win the party leadership when he publicly withdrew his support for Hayden in early February.

[redacted] 25X1

We believe the new cabinet confirms Hawke's intention to hold a tight rein on the party's left wing. The left was granted only four cabinet positions overall, the minimum acceptable to left-wing leaders. All four positions are relatively minor portfolios and only one is in the important inner cabinet.

[redacted] 25X1

For his part, Hawke has been quick to claim publicly a qualitative improvement between his cabinet and Fraser's, and the previous Labor government cabinet under Gough Whitlam (1972-75) as well. According to Hawke, the accent of the new government will be on economic affairs and "efficiency, its hallmark." The Australian press is reacting favorably to Hawke's cabinet choices, generally commenting that the new cabinet is more competent and responsible than was the last Labor cabinet under Whitlam.

[redacted] 25X1

[redacted]

25X1

The Cabinet

Inner

| | |
|----------------|-----------------------------------|
| Robert Hawke | Prime Minister |
| Lionel Bowen | Trade/Deputy Prime Minister |
| John Button | Industry & Commerce |
| Don Grimes | Social Security |
| Ralph Willis | Employment & Industrial Relations |
| Paul Keating | Treasury |
| Mick Young | Special Minister of State |
| * Stewart West | Immigration & Ethnic Affairs |
| Peter Walsh | Resources & Energy |
| Bill Hayden | Foreign Affairs |
| Susan Ryan | Education & Youth Affairs |
| Gareth Evans | Attorney-General |
| Gordon Scholes | Defense |

Outer

| | |
|-------------------|---|
| Peter Morris | Transport |
| John Kerin | Primary Industry |
| Kim Beazley | Aviation |
| * Brian Howe | Defense Support |
| Chris Hurford | Housing & Construction |
| John Brown | Sport, Recreation & Tourism/Admin. Services |
| John Dawkins | Finance |
| Neal Blewett | Health |
| Barry Jones | Science & Technology |
| Michael Duffy | Communications |
| Barry Cohen | Home Affairs & Environment |
| Clyde Holding | Aboriginal Affairs |
| * Arthur Geitzelt | Veterans' Affairs |
| * Tom Uren | Territories & Local Government |

* Left-wing members

25X1

Page Denied

Next 6 Page(s) In Document Denied

25X1

SUBJECT: Australia: Initial Reflections on Hawke's New Cabinet [redacted]

Distribution:

1 -- OEA/SEA/ITB
1 -- OEA/SEA/MSI
1 -- OEA/SEAD
1 -- D/OEA
1 -- C/Production/OEA
1 -- PDB (7F30)
1 -- C/NIC (7E62)
1 -- NIO/EA (7E62)
2 -- DDI (7E47-DDI Registry)
1 -- Executive Director (7E12)
5 -- CPAS/IMD/CB (7G07)
1 -- C/PES/DDI (7F24) - Boatner

OEA/SEA/MSI [redacted]

(15 March 1983)

25X1